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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

KESTREL TECHNOLOGIES, INC., *et al.*,
Debtors.¹

Chapter 11

Case No. 12-15052 (JMP)

(Jointly Administered)

**REPLY IN SUPPORT OF FIRST INTERIM APPLICATIONS FOR ALLOWANCE OF
COMPENSATION FOR FEES AND REIMBURSEMENT OF EXPENSES FOR (A) PERKINS
COIE LLP AS COUNSEL AND (B) GAVIN/SOLMONESE LLC AS FINANCIAL
ADVISORS FOR THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

Perkins Coie LLP (“PC”) and Gavin/Solmonese LLC (“GS”, and collectively with PC, the “Applicants”) submit this reply in support of their first interim applications for allowance of compensation for fees and reimbursement of expenses (the “Applications”) as counsel and financial advisors for the Official Committee of Unsecured Creditors (the “Committee”) of Kestrel Technologies, Inc., and Kestrel Solutions, LLC (collectively, the “Debtors”), and in support thereof respectfully state as follows:

¹ The Debtors are the following entities: Kestrel Technologies, Inc. and Kestrel Solutions, LLC. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

1. The Debtors filed a limited objection to the Applications, in which they make three requests. Each of these requests is acceptable to the Applicants. Indeed, the Applicants previously agreed to each of these points at the request of the Internal Revenue Service. Therefore, this Reply is filed to advise the Court of such agreement.

2. The Debtors request that the Court enter an Order:

- a. limiting the allowed administrative claims sought in the Fee Applications to an aggregate amount of \$100,000;
- b. reserving all parties' rights with respect to the balance of the amounts sought in the Fee Applications; and
- c. reserving all parties rights with respect to any substantial contribution claims asserted by the Creditors' Committee's professionals.

CONCLUSION

3. Each of the above requests is acceptable to the Applicants. Accordingly, the Applicants will work with the Debtors to prepare a consensual order that may be submitted to this Court and respectfully request that the Court approve the interim applications under the circumstances described above.

Dated: New York, New York
August 6, 2013

PERKINS COIE LLP
*Attorneys for the Official Committee of
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